

# **SECTION 6**

## **SUBSISTENCE AND TRAVEL POLICY (S&T)**



### **NALEDI LOCAL MUNICIPALITY**

Council resolves to adopt the following proposal as the Subsistence and Travel Policy of the Naledi Local Municipality

Policy effective date:	[30 May 2012]
Approved date:	[29 May 2012]
Resolution:	[141/2012]

# SUBSISTENCE AND TRAVEL POLICY (S&T)

## NALEDI LOCAL MUNICIPALITY

### TABLE OF CONTENTS

<b>1. INTRODUCTION</b>	<b>3</b>
<b>2. DEFINITIONS</b>	<b>3</b>
<b>3. PURPOSE OF THE POLICY</b>	<b>4</b>
<b>4. AUTHORISATION</b>	<b>4</b>
<b>5. RESPONSIBILITIES OF REPRESENTATIVES WHO TRAVEL ON BUSINESS OF THE MUNICIPALITY</b>	<b>5</b>
<b>6. CLAIM PROCEDURES</b>	<b>5</b>
<b>7. TRAVEL AND OTHER RELATED TRAVEL COSTS</b>	<b>6</b>
7.1. PRIVATELY OWNED VEHICLES / PUBLIC TRANSPORT	6
7.2. CAR RENTAL	7
7.3. AIR TRAVEL	7
7.4. INTERNATIONAL TRAVEL	8
7.5. OTHER INCIDENTAL EXPENSES	8
7.6. TRAVELLING TO CEREMONIES AND WORKSHOPS	8
<b>8. SUBSISTENCE</b>	<b>9</b>
8.1. SUBSISTENCE ALLOWANCE	9
8.2. ENTITLEMENT TO A SUBSISTENCE ALLOWANCE	10
8.3. SUBSISTENCE TARIFF	10
<b>9. ACCOMMODATION</b>	<b>10</b>
<b>10. CANDIDATES INVITED FOR INTERVIEWS</b>	<b>10</b>
<b>11. LEGAL REQUIREMENTS</b>	<b>11</b>
<b>12. REPAYMENT OF CLAIMS</b>	<b>11</b>
<b>13. DELEGATION OF POWERS AND AUTHORITY</b>	<b>12</b>
13.1. DELEGATION	12
13.2. AUTHORITY	12
<b>14. IMPLEMENTATION OF THIS POLICY</b>	<b>12</b>

# SUBSISTENCE AND TRAVEL POLICY (S&T)

## NALEDI LOCAL MUNICIPALITY

### 1. INTRODUCTION

- 1.1. It is essential that representatives of the Naledi Local Municipality from time to time travel to other cities and towns in order to:
  - 1.1.1. Establish and maintain links and relationships with other municipalities, government bodies, and other parties, institutions and organizations operating in the sphere of local government. It is important for representatives to broaden their knowledge and understanding of and compare local experiences in local government transformation, innovation and change in the rest of the country, and this can effectively be done only through the medium of personal contact with a wide range of local government stakeholders; and
  - 1.1.2. Attend seminars, work related workshops, committee meetings with a direct influence on the Council's activities.
- 1.2. This policy sets out the basis for the payment of a subsistence and travel allowance for the purpose of such official travelling.
- 1.3. Any changes to this policy, as required from time to time, shall be presented and motivated to Council by the Municipal Manager.

### 2. DEFINITIONS

"Advance" - is where an official received funds prior to going away on official business.

"Chief Financial Officer"- is the official who assists the accounting officer in discharging his/ her duties in terms of the MFMA, and duties related to effective financial management of the department.

"Delegated Authority" - is the official who is given the authority to perform functions in terms of the department's written delegations.

"Official Expenditure" - non – personal expenditure that is incurred by an official, which is not covered by the S & T allowance e.g. parking, toll fees, business telephone calls.

"International Travel" - trip away from the official's headquarters across the borders of South-Africa.

"Official" - is the person that is undertaking the official business.

"Operational base" – The point of operations be it at a specific location or within the whole boundaries of the local municipality.

"Personal Expenses" - expenditure of a non – official nature e.g. laundry, extra meals, drinks, private telephone calls.

"S & T Claim Form" - the form utilized to process S & T claims.

# SUBSISTENCE AND TRAVEL POLICY (S&T)

## NALEDI LOCAL MUNICIPALITY

“Subsistence” - includes all expenses pertaining to accommodation and meals.

“Travel” - includes the use of air travel, bus, taxi, car hire, rail, private vehicle, subsidized vehicle and state owned vehicles.

For the purposes of a subsistence allowance, a representative shall mean:

- mayor;
- Speaker;
- Members of the mayoral committee;
- Other councillors specifically authorized to represent the municipality on a particular occasion;
- Municipal Manager;
- Heads of departments;
- Any other official specifically authorized to represent the municipality on a particular occasion; and
- Any official who is a member of a recognized professional institution and is granted permission to attend meetings and conferences of such institution.

### **3. PURPOSE OF THE POLICY**

The purpose of this policy is:

- 3.1. To encourage a culture of saving costs for Council.
- 3.2. To set out the basis for the payment of a travel and subsistence allowance for the purposes of official travelling and to maintain control over travel and accommodation expenses and to maximise travel service
- 3.3. To regulate the attendance of workshops and meetings by Councillors and Officials on behalf of the municipality.
- 3.4. To ensure that all travel and subsistence costs incurred by the municipality are incurred in an efficient and effective manner to avoid fruitless and wasteful expenditures; and
- 3.5. To ensure that officials, councillors and other role players are remunerated fairly and equitably for costs incurred while travelling in the execution of duties for and on behalf of the municipality.

### **4. AUTHORISATION**

For purposes of implementing this policy:

- 4.1. Only the Municipal Manager or his delegate may authorize any travel to be undertaken by officials, or payments to be made for persons invited for interviews, but provided the expenses to be incurred are on the approved budget of the relevant department and sufficient funds are available.
- 4.2. Only the Mayor (in consultation with the Municipal Manager) or in his absence the Municipal Manager or his delegate, may authorize any travel to be undertaken by any

## SUBSISTENCE AND TRAVEL POLICY (S&T)

### NALEDI LOCAL MUNICIPALITY

councillor, but provided the expenses to be incurred are on the approved budget of the municipality and sufficient funds are available. For administrative purposes the official Travel and Subsistence claim form will be authorized by the Municipal Manager.

- 4.3. The Mayor shall authorize any travel undertaken by the Municipal Manager and the Municipal Manager or his delegate shall authorize any travel undertaken by the Mayor or in the absence of either the Chief Financial Officer shall authorise any travel undertaken, provided the expenses to be incurred are on the approved budget of the municipality and sufficient funds are available.
- 4.4. An invitation to attend a workshop, meeting, function, and cultural, sporting or related events is not an automatic authorization to attend such workshop, function or event. The required authorization must still be obtained from the Municipal Manager or Mayor, as the case may be.
- 4.5. Council delegates or representatives to any conference, workshop or meeting must ensure that they arrive on time and attend until the conclusion of such event. If any representative fails to do so, the Municipal Manager, or the Municipal Manager's delegate, as the case may be, must recover all allowances and disbursements paid to enable such delegate or representative to attend such event, provided that such delegate or representative is afforded the opportunity to submit reasons for not being able to be present from the commencement to conclusion of such event.

#### **5. RESPONSIBILITIES OF REPRESENTATIVES WHO TRAVEL ON BUSINESS OF THE MUNICIPALITY**

- 5.1. Every representative who travels on business of the municipality must comply with this policy in letter and in spirit.
- 5.2. Representatives who travel on business of the municipality must appreciate, at all times, that they are ambassadors for the municipality, that their actions, conduct and statements must be in the best interests of the municipality, and that they must comply with any specific mandates they have been given.
- 5.3. Consistent with the municipality's performance monitoring and evaluation objectives, the Municipal Manager will ensure that a database of all representatives and official travelling is kept.

#### **6. CLAIM PROCEDURES**

The following procedures are to be followed in order for all travel and subsistence claims:

- 6.1. The official travel and subsistence claim form of the municipality must be completed by the claimant.
- 6.2. The necessary supporting documentation (invitation, agenda, etc.) must be attached to the claim form.
- 6.3. The claim form must be approved by the necessary HOD and signed by the Municipal Manager or his delegate.
- 6.4. The completed and approved claim form must then be submitted to the Finance Department for payment.

## SUBSISTENCE AND TRAVEL POLICY (S&T)

### NALEDI LOCAL MUNICIPALITY

- 6.5. Claims for advance payments must reach the Finance Department by 12H00 on the Wednesday preceding the payment date or else the payment is delayed to the following weeks payment day.
- 6.6. It is the duty of each claimant to ensure that his/her claim reaches the Finance Department timeously.
- 6.7. Claim forms that have not been completed correctly (all relevant fields completed, documentation attached or approved by HOD and Municipal Manager or his delegate) cannot be processed and will be returned to the relevant claimant.

#### **7. TRAVEL AND OTHER RELATED TRAVEL COSTS**

A travel allowance is an amount of money paid by the municipality to a representative to cover all business-related travel.

Travel allowances for councillors will be regulated by the upper limits as determined by the Remuneration of Public Office Bearers Act.

##### **7.1. Privately owned vehicles / Public transport**

- 7.1.1. Employees, who are required to travel, will make use of Municipality provided vehicles or privately owned transport.
- 7.1.2. The total travelling distance to be reimbursed will be based on the shortest acceptable route per the AA route maps available from their website or similar website and will be measured as the return distance in kilometres from the representatives official base of operations (as determined in 9.1.3 below) to the destination.
- 7.1.3. An official base of operations of a representative shall be determined as follows:
  - Office based representative / full-time councillors: Naledi Local Municipality (where the operational base is situated)(any travel beyond this point will be paid);
  - Field worker confined / indirectly elected councillors: Naledi Local Municipality (where the operational base is situated)(any travel beyond this point will be paid)
  - Other representatives (such as candidates for interviews, etc.): address as indicated on application.
- 7.1.4. For privately owned vehicles, claimants will be reimbursed at the current Department of Transport Tariffs per kilometre at the time of the claim as amended from time to time.
- 7.1.5. Any additional travel (of a private nature) will be for the cost of the employee.
- 7.1.6. When using rental vehicles or council vehicles where the petrol card is not working or damaged, the petrol slip will have to be signed by the relevant Department Head and the Municipal Manager. This will serve as proof that the slip is valid. After authorization, the slip must be forwarded to the Finance department for payment.

## SUBSISTENCE AND TRAVEL POLICY (S&T)

### NALEDI LOCAL MUNICIPALITY

- 7.1.7. In cases where representatives utilise modes of transport such as taxis, busses, trains, etc. they shall be fully compensated upon submission of valid travel invoices or receipts.
- 7.1.8. In instances where taxis are used and appropriate travel invoices or receipts are not available, the table of tariffs obtained from the taxi association involved will be accepted for claim purposes
- 7.1.9. Where possible representatives must travel together, up to a maximum of four in a vehicle, to minimize travelling expenses.
- 7.1.10. Any additional travel arrangements concerning councillor's first needs to be approved by the Municipality Manager and Chief Financial Officer.

#### 7.2. Car Rental

- 7.2.1. Only "A" or "B" category vehicles may be rented, unless it is more cost-effective to hire any other category (for example, when the number of representatives involved could justify the hire of a micro-bus).
- 7.2.2. Car rental must be approved as part of the travel package before the trip is embarked on.
- 7.2.3. All bookings will be made by and paid for by the Municipality directly.
- 7.2.4. The Municipality's liability will be limited to kilometres / days required by the claimant in the execution of duties for and on behalf of the municipality. All costs incurred in excess of the allowed kilometres / days will be for the account of the claimant
- 7.2.5. A representative who rents a vehicle whilst travelling on the business of the municipality without having received prior authorization will only be reimbursed for the cost of the vehicle rental if proof of expenditure can be produced and the representative can demonstrate that vehicle rental was reasonably but unexpectedly necessitated by the circumstances.

#### 7.3. Air Travel

- 7.3.1. All bookings for air travel (which will include travel insurance) will be done by the Municipality. The Municipality's responsibility will be limited to the cost of an economy class return ticket including the cost of travel insurance. All costs in excess of an economy class return ticket will be the responsibility of the claimant. It is the duty of the claimant to confirm bookings made before departure as the Municipality will not be held liable for any errors.
- 7.3.2. In principle all air travel is limited to economy class only. At the discretion of the Municipal Manager or his delegate, in exceptional cases, with due consideration of the circumstances, the economy class ticket can be upgraded to a business class ticket only

# SUBSISTENCE AND TRAVEL POLICY (S&T)

## NALEDI LOCAL MUNICIPALITY

### 7.4. International Travel

7.4.1. If a representative has to utilize his or her personal motor vehicle outside the boundaries demarcated for the municipality he or she will be reimbursed at:

- Holders of Public Office - As per circulars from Minister at Local Government
- Officials with vehicle/car allowance - Running cost cc capacity as per official AA Schedules
- Officials without car allowance - Current Department of Transport Tariff per kilometre. If the cost exceeds that of an air ticket, the lesser amount will be paid.
- For the purpose of this policy, domestic travel shall mean travel within South Africa, and international travel shall mean travel to any country other than South Africa.

### 7.5. Other Incidental Expenses

The following expenses incurred must be paid for directly by the claimant and reclaimed from the Municipality upon presentation of appropriate supporting documentation:

- Toll fees;
- Parking fees;
- Petrol slips of rental vehicles

### 7.6 Travelling to ceremonies and workshops

7.6.1 An official will not be transported by municipal drivers to workshops and trainings, unless specifically authorised by the Municipal Manager

7.6.2 An official's commencement of travel to and from a ceremony is limited to an employee's working hours.

7.6.3 The time for departure to a ceremony or workshop is 07h30am.

7.6.4 The time for arrival from a ceremony or workshop is 16h00pm

7.6.5 Should the employer be satisfied that an employee, upon calculation of the kilometres to be travelled within the legal speed limit, will not be able to reach the destination in time if the official travels the morning of the ceremony or workshop, the official shall be entitled to overnight accommodation on the day preceding the ceremony or workshop.

7.6.6 Should the employer be satisfied that an employee, upon calculation of the kilometres to be travelled within the legal speed limit, will not reach the offices of the employer by close of business, being 16h00pm, after the conclusion of the ceremony or workshop, the official shall be entitled to overnight accommodation



# SUBSISTENCE AND TRAVEL POLICY (S&T)

## NALEDI LOCAL MUNICIPALITY

### 8. SUBSISTENCE

#### 8.1. Subsistence Allowance

8.1.1. A subsistence and travel allowance is an amount of money paid by the municipality to a representative to cover the following expenses:

- meals (including reasonable gratuities);
- incidentals such as refreshments, snacks, drinks and newspapers.

8.1.2. A subsistence allowance does not cover any personal recreation, such as visits to a cinema, theatre or nightclubs, or sightseeing etc

#### 8.2. Entitlement To A Subsistence Allowance

8.2.1. A representative may claim a daily subsistence allowance as provided for in this policy with the understanding that all authorized personal expenses are covered by the subsistence allowance. No further expenses may be claimed.

8.2.2. A daily subsistence allowance will only be applicable where:

- Official business unavoidably entails one or more nights to be spent away from home, or
- Where the representative will be on official business for a period exceeding 14 hours, without being away from home for one or more nights

8.2.3. Entertainment of external business associates or contacts or clients or potential investors or potential clients falls outside the scope of the subsistence allowance and will be separately reimbursed (subject to prior approval where applicable). If a representative of the municipality has an entertainment allowance, this entertainment of external business associates or contacts or other parties must be claimed against the entertainment allowance.

8.2.4. A representative of the municipality must claim his or her subsistence allowance, as provided in this policy, before embarking on any official trip. The subsistence allowance must, in order to facilitate its timeous payment, be claimed by 12h00 on the day preceding the trip.

8.2.5. No subsistence allowance will be paid, and no representative will be entitled to a subsistence allowance, if the trip or travel is not related to the official business of the municipality. All travel on business of the municipality must be approved as such before a representative is entitled to a subsistence allowance.

## **SUBSISTENCE AND TRAVEL POLICY (S&T)**

### **NALEDI LOCAL MUNICIPALITY**

#### **8.3. Subsistence Tariff**

8.3.1. R120 per day will apply in respect of domestic travel.

8.3.2. The subsistence allowance for international travel will be payable as regulated by SARS.

#### **9. ACCOMMODATION**

- 9.1. Representatives who travel on the business of the municipality, where the business unavoidably entails one or more nights to be spent away from home, may stay in a hotel, motel, guesthouse or bed and breakfast establishment.
- 9.2. Hotel reservations will be made by the municipality directly. It is however the duty of each claimant to confirm hotel reservations before departure as the municipality will not be held accountable for any mistakes.
- 9.3. Claim forms must be approved and submitted to the Finance Department at least 3 working days before departure in order to facilitate timely payment and confirmation with the hotel. Payment of claims submitted later than 3 days before departure cannot be guaranteed and this could lead to difficulties as far as confirmation of bookings are concerned.
- 9.4. The claimant is duty bound to submit the signed tax invoice received from the hotel / guest house (received on departure) to the Finance Department within 5 days of return to the Municipality. Failure to do so will lead to the deduction of the full amount from the claimants following monthly payslip
- 9.5. The actual cost of accommodation will be borne by the municipality, subject to a maximum of 3- to 4 star rating for the accommodation itself in respect of domestic travel (limited to R800). Where such accommodation is available, the rate for a single room will be payable.
- 9.6. If no such accommodation is available, higher rating accommodation can be used subject to the prior approval of the Municipal Manager.
- 9.7. If a representative stays with a relative or friend, no accommodation allowance may be claimed, but the representative may claim a subsistence allowance of R200 per day.
- 9.8. The recoverable cost of accommodation for international travel may not exceed \$350 per day.

#### **10. CANDIDATES INVITED FOR INTERVIEWS**

- 10.1. Travel claims for candidates invited by the municipality to interviews for specific positions in the Municipality will be reimbursed per 7.1 above.
- 10.2. Where the need of overnight accommodation for candidates has been identified, the Municipality will make the necessary arrangements for bookings and payments directly to the hotel / guest house based on the Supply Chain Management Policy of the Municipality.
- 10.3. The official Travel and Allowance claim form must be completed by each candidate. Banking and contact details must be clearly communicated to the Finance Department to facilitate payment.

# SUBSISTENCE AND TRAVEL POLICY (S&T)

## NALEDI LOCAL MUNICIPALITY

### 11. LEGAL REQUIREMENTS

- 11.1. In terms of section 66 of the Local Government : Municipal Finance Management Act, 2003 (Act No. 56 of 2003) the accounting officer of the municipality must report to the Council, in the format and for the periods prescribed, all expenses relating to staff salaries, allowances and benefits, separately disclosing (inter alia) travel, subsistence and accommodation allowances paid.
- 11.2. Claimants will be held liable for any unauthorised expenses as well as expenditure where there is not acceptable documentary proof.
- 11.3. If overnight accommodation is paid for by the Municipality directly to the hotel/ guesthouse, the claimant is duty bound to submit the signed tax invoice received from the hotel / guest house (received on departure) to the Finance Department within 5 days of return to the Municipality. Failure to do so will lead to the deduction of the full amount from the claimants following monthly payslip.
- 11.4. In any instances where this policy is contrary to any act or legislation of the Republic of South Africa, the act or legislation shall take precedence.

### 12. REPAYMENT OF CLAIMS

- 12.1. Should a meeting or trip be cancelled for which a claim has been submitted, the relevant Head of Department must immediately be informed.
- 12.2. If any employee/councillor is delegated to attend seminars, workshops or meetings and has received the necessary allowances and is prevented from attending due to whatever reason, all monies shall be paid back immediately, after the matter has been assessed. If the delegate fails to do so, the monies shall be deducted from the salary of the employee concerned. If this is not done, disciplinary action will proceed and the expenditure will be classified as fruitless expenditure.
- 12.3. Delegates to any seminars, meetings or workshops must ensure that they arrive on time and attend until conclusion of such event. If they fail to do so, Council will take the necessary actions to recover all expenses incurred to enable the employee to attend such an event, provided that such an employee/councillor be afforded the opportunity to present reasons for not being able to attend the event from commencement to conclusion.

# **SUBSISTENCE AND TRAVEL POLICY (S&T)**

## **NALEDI LOCAL MUNICIPALITY**

### **13. DELEGATION OF POWERS AND AUTHORITY**

#### **13.1. Delegation**

This policy should be applied with due observance of the municipality's policy with regard to delegated powers. Such delegations refer to delegations between the Council and Municipal Manager as well as between the Municipal Manager and other responsible officials. All delegations in terms of this policy document should be recorded in writing.

#### **13.2. Authority**

Any deviation from this policy for whatsoever reason must be authorized by the Municipal Manager and in the case of the municipal manager, the Mayor will authorize.

### **14. IMPLEMENTATION OF THIS POLICY**

14.1. This policy will be effective from the date the policy is approved per council resolution.

14.2. The implementation of this policy cannot be backdated and all sections thereof will only be implemented from date of approval.